

**EXHIBIT A**

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF MICHIGAN

In re:

BARFLY VENTURES, LLC, *et al.*,<sup>1</sup>  
Debtors.

Chapter 11 filed June 3, 2020  
Hon. James W. Boyd  
Jointly Administered  
Case No. 20-01947-jwb

**STIPULATION FOR STAY RELIEF and ABANDONMENT OF DEBTORS' INTEREST  
IN HOPCAT – ROYAL OAK, LLC LIQUOR LICENSE**

Debtors, including specifically Debtor HopCat – Royal Oak, LLC, and Innovo Development Group, L.L.C., a Michigan limited liability company, by and through their undersigned counsel, enter into this Stipulation for Stay Relief and Abandonment of Debtors' Interest in the Liquor License Owned by HopCat – Royal Oak, LLC, with reference to the following facts:

**JURISDICTION AND VENUE**

1. The United States Bankruptcy Court for the Western District of Michigan (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334.
2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.
3. This matter is a core proceeding within the meaning of 28 U.S.C. §157(b)(2).

---

<sup>1</sup> The Debtors are: Barfly Ventures, LLC, (8379), Barfly Management, LLC (6274) 9 Volt, LLC (d/b/a HopCat)(1129), 50 Amp Fuse, LLC (d/b/a Stella's Lounge)(3684), GRBC Holdings, LLC, (d/b/a Grand Rapids Brewing Company)(2130), E L Brewpub, LLC (d/b/a HopCat East Lansing)(5334), HopCat-Ann Arbor, LLC (5229), HopCat-Chicago LLC (7552), HopCat-Concessions, LLC (2597), HopCat-Detroit, LLC (8519), HopCat- GR Beltline, LLC (9149), HopCat-Holland, LLC (7132), HopCat Indianapolis, LLC (d/b/a HopCat-Broad Ripple)(7970), HopCat-Kalamazoo, LLC (8992), HopCat-Kansas City, LLC (d/b/a KC, LLC and TikiCat)(6242), HopCat Lexington, LLC (6748), HopCat-Lincoln, LLC (2999), HopCat-Louisville, LLC (0252), HopCat-Madison, LLC (9108), HopCat-Minneapolis, LLC (8622), HopCat-Port St. Lucie, LLC (0616), HopCat- Royal Oak, LLC (1935), HopCat-St. Louis, LLC (6994), Luck of the Irish, LLC (d/b/a The Waldron Public House LLC and McFadden's Restaurant Saloon)(4255).

**BASES FOR STIPULATED RELIEF**

4. The statutory bases for this Stipulation are Sections 105(a), 362 and 554 of Title 11 of the United States Bankruptcy Code (the "Bankruptcy Code") and as supported by Bankruptcy Rules 4001 and 6007 and LBR 4001 and 9013.

5. As set forth below, Debtors believe that the liquor license is of inconsequential value or benefit to the Estate, except as a set-off against the claim of Innovo Development Group, L.L.C. and is not necessary to an effective reorganization.

**BACKGROUND**

6. Effective August 31, 2015 Innovo Development Group, L.L.C. through its affiliate Innovo Royal Oak, L.L.C. (hereinafter collectively "Innovo") entered into a non-residential real property lease (the "Royal Oak Lease") with HopCat – Royal Oak, LLC ("HopCat - Royal Oak") for the premises located at 208 West 5<sup>th</sup> Avenue, Royal Oak, Michigan as described in the Royal Oak Lease.

7. Pursuant to the terms of the Royal Oak Lease, HopCat – Royal Oak was granted a "liquor license allowance of \$250,000.00" to purchase a liquor license for the premises.

8. HopCat - Royal Oak obtained a Class C Resort Liquor License issued by the State of Michigan Liquor Control Commission (transfer Class C Resort Liquor License #142721 under BID#164133 issued to Debtor under BID#244499) (the "Royal Oak Liquor License").

9. Pursuant to Article 4.3 of the Royal Oak Lease, Innovo was granted a security interest in the Royal Oak Liquor License.

10. Innovo perfected its security interest in the Royal Oak Liquor License by filing a UCC-1 Financing Statement with the State of Michigan. A copy of the recorded Financing Statement is attached hereto as Exhibit 1.

11. Following the filing of a Motion, the Court entered an Order Authorizing the Debtors to (I) Reject Certain Executory Contracts and Unexpired Leases pursuant to 11 U.S.C. §365, (II) Abandon Any Remaining Personal Property Located at the Leased Premises, and (III) Fixing a Bar Date for Claims of Counterparties which, included Innovo and the Royal Oak Lease (DN #64).

12. The Liquor License is no longer being used by HopCat - Royal Oak. Debtors do not intend to reopen the Royal Oak, Michigan location.

13. By its own terms, the Royal Oak Liquor License may only be used at the premises that were leased by HopCat-Royal Oak, LLC which Lease has now been rejected.

14. While the value of the Royal Oak Liquor License has not been determined for purposes of setoff with respect to Innovo's lease rejection and other claims in this bankruptcy, the parties agree that the value of the Royal Oak Liquor License is less than Innovo's claims against Debtor HopCat - Royal Oak, LLC.

15. The Liquor License was purchased for approximately \$250,000.00 at a time when liquor licenses were at their highest value. The parties believe and understand that the current value of the Liquor License is less than \$250,000.00. Innovo believes that the current value of the Royal Oak Liquor License is less than \$125,000.00.

16. Innovo had advised the Debtors that it intended to file a Motion to Compel Abandonment pursuant to Section 544 of the Bankruptcy Code. The basis for the Motion would be the fact that the Royal Oak Liquor License is of inconsequential value to the Debtors.

17. Debtors agree with Innovo that the value of the Royal Oak Liquor License on the open market is less than the amount of the claims Innovo has arising out of Debtors' rejection of the Royal Oak Lease.

18. In order to lessen the costs to the Estate, Debtors have agreed to enter into this Stipulation for stay relief and to abandon the Royal Oak Liquor License to avoid the necessity of a Motion being filed and the incumbent legal and procedural actions that would have to be taken by both parties.

IT IS THEREFORE AGREED AND STIPULATED AS FOLLOWS:

A. After all interested parties in these bankruptcies are given notice of this Stipulation with opportunity to object, assuming that there are no objections or the Court otherwise orders, Debtors agree to entry of an Order abandoning Debtor's interest in the Royal Oak Liquor License.

B. It is intended that the abandonment be effectively a turnover of the Royal Oak Liquor License to Innovo in recognition of Innovo's security interest in same.

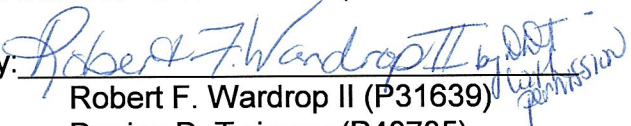
C. Innovo may file a Proof of Claim for rejection damages with respect to the Royal Oak Lease, giving due credit for recovery for the value of the Royal Oak Liquor License. Debtors reserve the right to contest Innovo's claim for damages set forth in the Proof of Claim to be filed by Innovo.

D. Innovo is granted limited relief from stay solely to pursue matters with respect to the Royal Oak Liquor License, and for no other purposes.

Respectfully submitted,


WARDROP & WARDROP, P.C.

Dated: July 17, 2020

By:  Robert F. Wardrop II (P31639)

Denise D. Twinney (P40735)  
300 Ottawa Avenue, NW, Suite 150  
Grand Rapids, MI 49503  
Telephone: (616) 459-1225  
[bkfilings@wardroplaw.com](mailto:bkfilings@wardroplaw.com)  
[robb@wardroplaw.com](mailto:robb@wardroplaw.com)  
[denise@wardroplaw.com](mailto:denise@wardroplaw.com)

WARNER NORCROSS & JUDD LLP



Dated: July 17, 2020

By: \_\_\_\_\_

Elisabeth M. Von Eitzen  
401 E. Michigan Avenue, Suite 200  
Kalamazoo, MI 49007  
Telephone: (269) 276-8118  
[evoneitzen@wnj.com](mailto:evoneitzen@wnj.com)

*Proposed Counsel to the Debtors*

483201061820.Stipulated Relief Regarding Abandonment

Exhibit 1  
to Stipulation

## UCC FINANCING STATEMENT

Michigan Department of State - Uniform Commercial Code

FOLLOW INSTRUCTIONS

Filing Number: 20170123000994-4

Filing Date and Time: 01/23/2017 04:07 PM

Total Number of Pages: 1

(This document was filed electronically)

|   |
|---|
| A. NAME & PHONE OF CONTACT AT FILER (optional)<br><b>Bodman Nancy Willson</b>   |
| B. E-MAIL CONTACT AT FILER (optional)<br><b>nwillson@bodmanlaw.com</b>  |
| C. SEND ACKNOWLEDGEMENT TO: (Name and Address)<br><b>Bodman Nancy Willson<br/>201 W. Big Beaver Road<br/>Suite 500<br/>Troy, MI 48064 USA</b> |

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

|   |                          |                             |                               |                             |
|---|--------------------------|-----------------------------|-------------------------------|-----------------------------|
| 1a. ORGANIZATION'S NAME<br><b>HOPCAT-ROYAL OAK, LLC</b> |                          |                             |                               |                             |
| OR  | 1b. INDIVIDUAL'S SURNAME | FIRST PERSONAL NAME         | ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX                      |
| 1c. MAILING ADDRESS<br><b>35 Oakes Street #400</b>      |                          | CITY<br><b>Grand Rapids</b> | STATE<br><b>MI</b>            | POSTAL CODE<br><b>49503</b> |
|   |                          |                             | COUNTRY<br><b>USA</b>         |                             |

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

|                         |                          |                     |                               |             |
|-------------------------|--------------------------|---------------------|-------------------------------|-------------|
| 2a. ORGANIZATION'S NAME |                          |                     |                               |             |
| OR                      | 2b. INDIVIDUAL'S SURNAME | FIRST PERSONAL NAME | ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX      |
| 2c. MAILING ADDRESS     |                          | CITY                | STATE                         | POSTAL CODE |
|                         |                          |                     | COUNTRY                       |             |

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

|   |                          |                          |                               |                             |
|---|--------------------------|--------------------------|-------------------------------|-----------------------------|
| 3a. ORGANIZATION'S NAME<br><b>INNOVO DEVELOPMENT GROUP, LLC</b> |                          |                          |                               |                             |
| OR  | 3b. INDIVIDUAL'S SURNAME | FIRST PERSONAL NAME      | ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX                      |
| 3c. MAILING ADDRESS<br><b>1321 South Westnedge Avenue</b>       |                          | CITY<br><b>Kalamazoo</b> | STATE<br><b>MI</b>            | POSTAL CODE<br><b>49008</b> |
|   |                          |                          | COUNTRY<br><b>USA</b>         |                             |

4. COLLATERAL: This financing statement covers the following collateral.

State of Michigan Liquor Control Commission Class C Resort Liquor License issued or to be issued to Debtor (under BID#244499 or such other BID number, being the request to transfer Class C Resort Liquor License #142721 issued under BID#164133) to serve alcoholic beverages at the premises commonly known as 206 or 208 West Fifth Avenue, Royal Oak, Michigan, and any successive or replacement licenses or renewals or reclassifications thereof, issued by the State of Michigan Liquor Control Commission (or any successor agency or authority).

|   |  |
|---|--|
| 5. Check only if applicable and check only one box. Collateral is <input type="checkbox"/> held in a Trust (see UCC1Ad, item 17 and instructions) <input type="checkbox"/> being administered by a Decedent's Personal Representative                   |  |
| 6a. Check only if applicable and check only one box.<br><input type="checkbox"/> Public-Finance Transaction <input type="checkbox"/> Manufactured-Home Transaction <input type="checkbox"/> A Debtor is a Transmitting Utility                          | 6b. Check only if applicable and check only one box.<br><input type="checkbox"/> Agricultural Lien <input type="checkbox"/> Non-UCC Filing |
| 7. ALTERNATIVE DESIGNATION (if applicable). <input type="checkbox"/> Lessee/Lessor <input type="checkbox"/> Consignee/Consignor <input type="checkbox"/> Seller/Buyer <input type="checkbox"/> Bailee/Bailor <input type="checkbox"/> Licensee/Licensor |  |
| 8. OPTIONAL FILER REFERENCE DATA.<br><b>11372-4 GMZ/nw</b>  |  |